

FLEXIBLE SPENDING ACCOUNT (HEALTH CARE FSA)

FAQ



ARCHDIOCESE OF INDIANAPOLIS
The Church in Central and Southern Indiana

Q) What is a flexible spending account (FSA)?

A) A flexible spending account (FSA) allows you to have pre-tax dollars withheld from your paycheck to pay for eligible health care or dependent care expenses. It covers not just your medical expenses, but also the expenses of your spouse and tax dependents. Depending on your tax bracket, you may save up to 30 percent or more in taxes.

Common qualified expenses that an FSA will usually cover include the deductible, coinsurance or copayment amounts for your health plan, eyeglasses or contact lenses, dental work and orthodontia, medical equipment, hearing aids, and chiropractic care. Many over-the-counter drugs, such as cold and allergy medicines, and pain relievers and antacids, can also be reimbursed through an FSA with a doctor's note/letter of medical necessity. Your plan may limit what can be reimbursed, so please contact HealthEquity at for more information.

For a list of eligible expenses please, see the [IRS Publication 502](#). Another great feature is that the FSA funds are front loaded to the account and are available at the start of your plan year.

Q) Who is the FSA vendor?

A) HealthEquity will administer the FSA.

Q) What is the difference between an all-purpose health care FSA and a limited purpose FSA?

A) An all-purpose health care FSA may be used for all eligible medical, dental, vision and pharmacy expenses.

A limited purpose FSA (LPFSA) will only cover eligible expenses after you have met your deductible and dental and vision expenses. If you currently contribute to a Health Savings Account, you will have an LPFSA.

Q) How much can I contribute to my FSA?

A) For the limited FSA and the all-purpose FSA, the minimum is \$100 per year and the maximum is \$3,050 per year.

Q) What are the general features and tax benefits of an FSA?

A) Your contributions are pre-tax or tax-deductible and tax-free withdrawals are made to pay your out-of-pocket expenses related to health care. Because of these tax advantages, the more you use your FSA, the more money you could save. The amount of savings will depend on your personal tax rate. Contributions are tax-deductible on your federal tax return.

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Q) Why should I enroll in an FSA?

A) Your biggest advantage is the tax savings. Every dollar you set aside in your account reduces how much you pay in income taxes. Plus, you can be reimbursed for qualified expenses that you are already paying for.

Q) Whose expenses can I claim under my FSA?

A) You can use your FSA to pay for eligible expenses incurred by any of the following individuals:

- + Yourself
- + Spouse
- + Qualifying child
- + Qualifying relative

Q) How does an FSA work?

A) You will contribute a pre-determined amount to your account. Your funds will be available for use on the first day of your plan year.

When you have eligible health care expenses, pay for them with your payment card, or pay out of pocket and request reimbursement online. Remember to always keep your receipts.

It's quick and easy to request reimbursement for eligible expenses paid using personal funds, or to submit documentation for card purchases. Our documentation upload features online and on the mobile app will save you time and make your life easier. Please remember that credit card receipts, non-itemized cash register receipts and cancelled checks are not acceptable forms of documentation. Always request an itemized receipt or EOB from your health care provider or merchant.

Q) What are eligible medical FSA expenses?

A) Qualified medical expenses can be found in [IRS Publication 502](#). Due to frequent updates to the regulations governing FSAs and HSAs, this list does not guarantee reimbursement but, instead, is to be utilized as a guide for the submission of claims.

Q) Can I change my flexible spending account (FSA) election mid-year?

A) Certain qualifying events allow employees to increase/decrease their election or begin/cease participation in a plan. Common qualifying events can be found on the FSA status change form and include marriage, divorce, birth, death.

The adjustment to the election must be consistent with the event.

To request an election change, complete and submit the FSA status change using the Life event process through Paylocity payroll system. Documentation for the change is required.

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Q) How does my FSA work with my Health Reimbursement Account (HRA) or Health Savings Account (HSA)?

A) If you have a LPFSA – you will want to use your HRA/HSA funds for any expenses prior to meeting your deductible. Once you have met your deductible you will want to use your FSA funds for remaining out of pocket expense. You will also use your FSA funds for any dental and vision claims. Once your FSA funds have been depleted you will use your HRA/HSA funds.

A) If you have an all-purpose FSA – you will want to use your FSA for all expenses until that account is depleted.

Q) Where can I use my HealthEquity payment card?

A) HealthEquity payment cards can be utilized at health care related merchants, such as hospitals, dental and vision doctor offices. It can also be used at drugstores, pharmacies and grocery stores. As always, save itemized receipts, bills or statements any time the payment card is utilized.

Q) If I don't use my HealthEquity payment card for a medical expense, how can I reimburse myself?

A) Download the WageWorks/EZ Receipts app onto your smartphone and submit via your phone. You can also log in to your account online [here](#).

Q) What happens to my FSA if I terminate employment?

A) Participation in the FSA ends if you terminate employment. This means only expenses incurred prior to your termination date are eligible for reimbursement. Claims for these expenses must be submitted within the run-out period.

Q) What is the run-out period?

A) The run-out period is 90 days after your termination date or if you remain an active employee the 90 days is after the end of the calendar year.

Q) How do I determine the date my expense(s) were incurred?

A) A service or expense must be incurred before it is eligible for reimbursement. An FSA expense is considered “incurred” when the service is performed, not when you pay for the service. In addition, the service must be performed during your participation in the plan. Services or expenses incurred before or after your plan participation dates do not qualify for reimbursement.

Q) What happens if I do not use all the money in my account by the end of the plan year?

A) Money remaining in your FSA at the end of the plan year will be forfeited. This is commonly known as the “use-it-or-lose-it” rule.

Q) Who should I contact if I have questions?

A) Please contact HealthEquity at 877-924-3967.